

# Chapter 12

## Recommendations to Buy in Online Retailing and Their Acceptance

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### ABSTRACT

*Personal welcomings, individual assistance, as well as recommendations to inform and buy are becoming an integral part in online retailing. These new so-called personalization elements are assumed to increase the retailer's share of wallet and the customer's satisfaction. However, up to now only little is known about which external factors influence the customer's acceptance of such personalization elements. This chapter discusses the forms of recommendations to buy and how their acceptance can be measured using the well-known Technology Acceptance Model (TAM) approach. An experiment is used, where volunteers are offered an online shopping experience with individually generated recommendations to buy. The experiment shows how high the acceptance of the generated recommendations is and how close this acceptance is connected to the quality and shopping relevance of the recommendations. Even though the results are limited to the specific recommendation types used, they give important implications for an adequate design of modern online shops.*

### INTRODUCTION

For some years, online shopping gains growing importance (Kukar-Kinney, Close 2010). So, e.g., for Germany, the yearly large-scale W3B survey of Fittkau & Maaß shows that more than 65% of

the German internet users have already bought products in the internet at more than 20 occasions. Additionally, already 10% of these online shoppers buy products in online shops every day (Fittkau & Maaß 2009, 2010). However, at the same time, the number of online shops and the competition between these shops is already high and still increases. Online shops that only rely on

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an anonymous appearance and a static presentation of the products restrict their success in the customer communication. Instead, the development of an own brand identity seems to be necessary (Hausmann, Siepke 2009).

Here, the personalization of the customer communication using personal welcomings, offerings of individualized recommendations to buy as well as virtual shopping advisers seems to be a promising possibility to differentiate from the competitors (Barlow et al. 2004; Holzwarth et al. 2006). As the technology to implement such an interactivity is available, the key to system acceptance is an appropriate mode of information presentation (Hausmann, Siepke 2009).

However, up to now only few studies have analyzed, which external factors influence the customer's acceptance of such an assistance. So, as one of the few studies, Fittkau & Maaß (2010) found that 27.6% of the German internet users rate recommendations to buy theoretically useful. However, only 15.4% of them have a positive attitude towards them, 60.2% have a neutral, whereas 24.3% have a negative one. The main reasons: 53.7% expect data security problems, 51.4% feel observed in their privacy, 16.5% ignore them (Fittkau & Maaß 2010). This chapter closes the gap in acceptance analysis by an experiment, where a modified version of the Technology Acceptance Model (TAM), originally developed by Davis (1989) and Davis et al. (1989) and extended by Venkatesh and Davis (2000) is used for measuring the customer's acceptance of recommendations to buy. For online retailing, O'Cass and Fenech (2003) as well as Ha and Stoel (2009) have already used this model in a similar setting.

After a short background section on recommendations to buy, the measurement approach is shortly presented, followed by a discussion of the experiment and the results. The chapter closes with future research directions and a short conclusion. The chapter here is an extended, updated, and for this issue modified version of Baier, Stüber (2010).

## **BACKGROUND: RECOMMENDATIONS TO BUY IN ONLINE RETAILING**

### **Online Shopping**

Online shopping – from the sellers point of view – is usually defined as “an example of a direct electronic channel linking sellers and customers” that “allows customers to select and purchase product items over an interactive electronic medium, typically through interactive television or the internet” (Chau et al. 2000). Since the electronic channel linking reduces the possibilities for the seller to demonstrate the solidity and the capabilities of the products and the sales organization, trust (Gefen et al. 2003) and content (Chau et al. 2000) play an important role in the shoppers selection and buying process.

Here, with respect to content and trust, gender is assumed to have an influence. Women are assumed to be emotionally less gratified and have less satisfaction from online shopping than men (Comegys et al. 2006, Hansen, Møller-Jensen 2009). Men would also be more trusting than women and think that online shopping is more convenient (Comegys et al. 2006). Additionally, women perceive higher risks than men in online purchasing in both probabilities and consequences (Garbarino, Strahilevitz 2004).

However, as online shopping has increased both male and female portions, these differences seem to get less and less important (Hansen, Møller-Jensen 2009). Now, more and more websites and online shops are more frequently used by women than men. So, e.g., in online clothes shopping, women are far more active than men. Consequently, for all online shops, an adequate placement of trustworthy electronic recommendations can play an essential role in the competition between on- and offline shops.

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